

§ 159I-21. Refunding bonds and notes.

(a) The Board may issue bonds and notes for the purposes of refunding any bonds or notes issued pursuant to this Chapter, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption or maturity of such bonds or notes, and, if deemed advisable by the Board, for any additional corporate purposes of the Board.

Any such refunding bonds or notes may bear interest at rates, including variable rates as authorized in G.S. 159I-15, lower, the same as, or higher than and have maturities shorter than, the same as, or longer than the bonds or notes being refunded. The proceeds of any such refunding bonds or notes may be applied:

- (1) To the payment and retirement of the bonds or notes being refunded by direct application to such payment and retirement;
 - (2) To the payment and retirement of the bonds or notes being refunded by the deposit in trust of such proceeds;
 - (3) To the payment of any expenses incurred in connection with such refunding; and
 - (4) For any other uses not inconsistent with such refunding.
- (b) Any money so held in trust may be invested in:
- (1) Direct obligations of the United States of America.
 - (2) Obligations, the principal of and the interest on which are guaranteed by the United States of America.
 - (3) Evidences of ownership of a proportionate interest in specified obligations described in subdivision (1) and (2) of this subsection, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian.
 - (4) Obligations of the State or local governments of the State, provision for the payment of the principal of and interest on which obligations shall have been made by deposit with a trustee or escrow agent of obligations described in subdivisions (1), (2) or (3) of this subsection, the maturing principal of any interest on which, when due and payable, shall provide sufficient money with any other money held in trust for such purpose to pay the principal of, premium, if any, and interest on such obligations of the State or units of local government and which are rated in the highest category by Standard & Poor's Corporation and Moody's Investors Service.
 - (5) Obligations of the State or local governments of the State, the principal of and interest on which, when due and payable, have been insured by a bond insurance company which is rated in the highest category by Standard & Poor's Corporation and Moody's Investors Service.
 - (6) Full faith and credit obligations of the State or local governments of the State, which are rated in the highest category by Standard & Poor's Corporation and Moody's Investors Service.
 - (7) Any obligations or investments in which the State Treasurer is authorized, at the time of such investment, to invest funds of the State.

The proceedings providing for the issuance of any refunding bonds or notes may limit the investments in which the proceeds of a particular refunding issue may be invested.

- (c) Nothing in this section shall be construed as a limitation on:
- (1) The duration of any deposit in trust for the retirement of bonds or notes being refunded, but which shall not have matured and which shall not be

then redeemable or, if then redeemable, shall not have been called for redemption; or

- (2) The power to issue bonds or notes for the combined purpose of refunding bonds or notes and providing moneys for any corporate purpose as provided in this Chapter. (1989, c. 756, s. 1; 2011-266, s. 1.26(c).)